

## U.S. Energy System

Energy plays a vital role in modern society, enabling systems that meet human needs such as sustenance, shelter, employment, and transportation. In 2014, the U.S. spent \$1.4 trillion on energy, or 8.0% of Gross Domestic Product (GDP).<sup>1,2</sup> When spread over the population, annual costs were \$4,374 per person.<sup>1,3</sup> Environmental impacts associated with the production and consumption of energy include global climate change, acid rain, hazardous air pollution, smog, radioactive waste, and habitat destruction.<sup>4</sup> The nation's heavy reliance on fossil fuels (primarily imported petroleum) poses major concerns for energy security. Potential gains in energy efficiency in all sectors may be offset by increases in consumption, leading to overall increases in energy use.<sup>5</sup> The unsustainable nature of the current U.S. energy system is described below.

### Patterns of Use

#### Demand

- With less than 5% of the world's population, the U.S. consumes 18% of the world's energy and accounts for 16% of world GDP. To compare, the European Union has 7% of the world's population, uses 16% of its energy, and accounts for 17% of its GDP, while China has 19% of the world's population, consumes 20% of its energy, and accounts for 17% of its GDP.<sup>9,10</sup>
- Each day, U.S. per capita energy consumption includes 2.5 gallons of oil, 13.7 pounds of coal, and 234 cubic feet of natural gas.<sup>8,9</sup>
- Residential daily consumption of electricity is 11.9 kilowatt-hours (kWh) per person.<sup>8,9</sup>
- In 2015, total U.S. energy consumption was 3% below 2007 peak levels, similar to total energy consumption in 2002.<sup>8</sup>

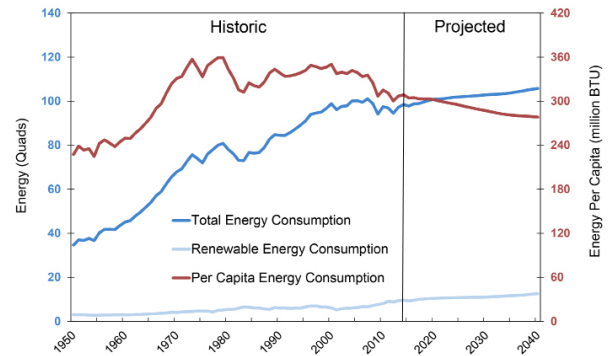
#### Supply

- By current estimates, 80% of U.S. energy will come from fossil fuels in 2040.<sup>6</sup>
- Renewable energy consumption is projected to increase annually at an average rate of 1.3% between 2013 and 2040, compared to 0.3% growth in total energy use. Liquids from biomass and ethanol for E85 are projected to grow the fastest. However, at these rates, renewables would only provide 9.5% of U.S. energy consumption in 2040, which is less than today's 9.9% renewable energy consumption.<sup>6,8</sup>
- U.S. net imports met 2.4% of domestic oil demand in 2015.<sup>8</sup> This figure is projected to drop to 17% in 2040.<sup>6</sup> Canada, Saudi Arabia, and Venezuela are the three largest foreign suppliers of U.S. oil.<sup>11</sup>
- The Persian Gulf region accounted for 16% of U.S. petroleum imports in 2015 and contains 48% of the world's oil reserves.<sup>11,12</sup> Roughly 16% of all reserves lie in Saudi Arabia alone.<sup>12</sup> OPEC controlled 31% of the oil imported by the U.S. in 2015.<sup>8</sup>
- There is disagreement as to when oil production will peak. Assuming reserves of 3.3 trillion barrels and a production growth rate of 2%, the U.S. Department of Energy (DOE) projects global oil production to peak in 2044.<sup>13</sup>

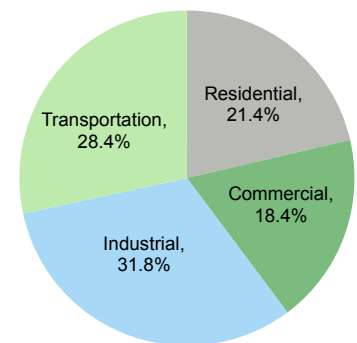
### Life Cycle Impacts

- Air emissions from the combustion of fossil fuels are the primary environmental concern of the U.S. energy system. Such emissions include carbon dioxide (CO<sub>2</sub>), nitrogen oxides, sulfur dioxide, volatile organic compounds, particulate matter, and mercury.
- U.S. total GHG emissions increased by 7% from 1990 to 2014. 76% of total U.S. GHG emissions were energy-related CO<sub>2</sub> emissions in 2014.<sup>14</sup>
- Other energy sources also have environmental implications. For example, issues associated with nuclear power generation include radioactive waste and accidental leakage; large hydroelectric power plants cause habitat degradation and fish kills; and wind turbines alter landscapes in ways some find unappealing and can increase bird and bat mortality.<sup>15</sup>

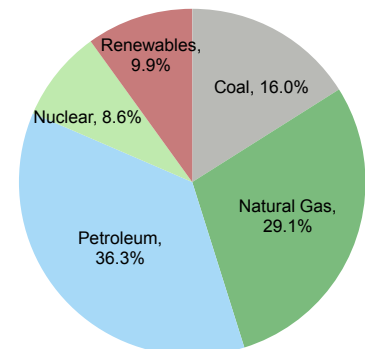
U.S. Energy Consumption: Historic and Projected Values<sup>6,7</sup>



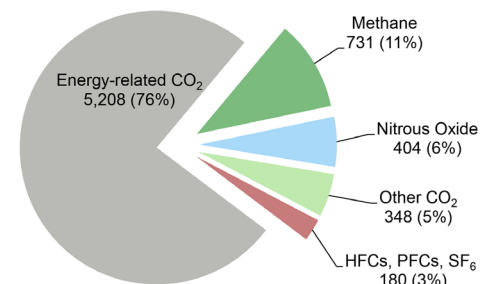
U.S. Energy Consumption by Sector, 2015<sup>8</sup>



U.S. Energy Consumption by Source, 2015<sup>8</sup>



U.S. GHG Emissions, 2014<sup>14</sup>  
(Million Metric Tons CO<sub>2</sub> Equivalent)



# Solutions and Sustainable Alternatives

## Consume Less

- Reducing energy consumption not only brings environmental benefits, but also can result in cost savings for individuals, businesses and government agencies.
- Living in smaller dwellings, living closer to work, and utilizing public transportation are examples of ways to reduce energy usage. See the Center for Sustainable Systems' factsheets on personal transportation and residential buildings for additional ways to trim energy consumption.

## Increase Efficiency

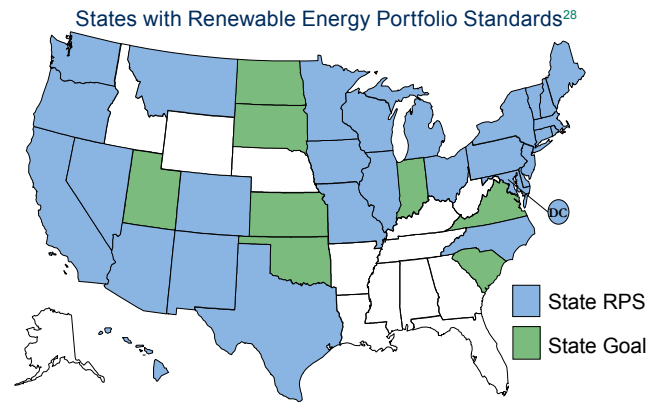
- An aggressive commitment to total cost-effective energy efficiency could reduce U.S. carbon emissions by 500 million metric tons per year.<sup>16</sup>
- Additional information on energy efficiency can be found at the following organizations' websites:
  - General: U.S. DOE Energy Efficiency and Renewable Energy, <http://energy.gov/eere/office-energy-efficiency-renewable-energy>
  - Residential & Commercial: U.S. EPA Energy Star, <https://www.energystar.gov/>
  - Transportation: U.S. DOE and EPA Fuel Economy Guide, <https://www.fueleconomy.gov/>
  - Industrial: U.S. DOE Industrial Technologies Program, <http://energy.gov/diversity/downloads/eere-industrial-technologies-program>

## Increase Renewables

- U.S. installed wind capacity grew 12% in 2015, expanding to 74 GW.<sup>17</sup> If 224 GW of wind capacity were installed by 2030, an amount determined feasible by one U.S. DOE study, wind would satisfy 20% of projected electricity demand.<sup>18</sup>
- Solar photovoltaic modules covering 0.6% of the land in the U.S. could supply all of the nation's electricity.<sup>19</sup>

## Encourage Supportive Public Policy

- The U.S. currently produces 16% of the world's energy-related CO<sub>2</sub> emissions, which are expected to increase by 3% between 2013 and 2040.<sup>6,20</sup> The Clean Energy and Security Act, passed by the House in June 2009, would have required emissions reductions of 3% below 2005 levels in 2012, 20% below 2005 levels in 2020, 42% below 2005 levels in 2030, and 83% below 2005 levels in 2050.<sup>21</sup> The Act was not brought to a vote in the Senate and did not become law.<sup>22</sup> In comparison, the United Kingdom established a goal of reducing CO<sub>2</sub> emissions 80% below their 1990 level by 2050.<sup>23</sup>
- A joint rule issued by the U.S. EPA and National Highway Traffic Safety Administration (NHTSA) in 2010 set new auto manufacturing standards for model years 2012 - 2016, raising corporate average fuel economy (CAFE) standards to 34.1 miles per gallon for new light-duty vehicles in 2016. This rule is projected to save 1.8 billion gallons of fuel, approximately \$200 billion, and cut CO<sub>2</sub> emissions by 960 million metric tons.<sup>24</sup>
- An additional rule, issued by the U.S. EPA and NHTSA in 2012, raises CAFE standards to 49.7 miles per gallon in 2025, which is projected to save 4 billion gallons of fuel, \$300-400 billion, and cut CO<sub>2</sub> emissions by 2 billion metric tons.<sup>25</sup> In comparison, if the Arctic National Wildlife Refuge (ANWR) were opened to oil drilling, production would peak at 284.7 million barrels of oil per year in 2027.<sup>26</sup>
- The growth of wind and biomass was spurred by the 2.3¢/kWh Federal Production Tax Credit (PTC), as well as state Renewable Energy Portfolio Standards (RPS) that require a certain percentage of electricity be derived from renewable sources. The PTC for wind will expire December 31, 2019.<sup>27</sup> Thirty-seven states, the District of Columbia, and four U.S. territories had renewable portfolio standards or goals in place as of April 2016.<sup>28</sup>
- A \$2,500-\$7,500 federal tax credit is available for electric and plug-in hybrid electric vehicles purchased after January 1, 2010.<sup>29</sup>
- Residential consumers can receive tax credits for up to 30% of purchase and installation costs for renewable energy additions to new and existing houses. Eligible renewable technologies include geothermal heat pumps, solar water heaters, solar panels, small wind turbines, and residential fuel cells.<sup>30</sup>



**kWh** = kilowatt hour. One kWh is the amount of energy required to light a 100 watt light bulb for 10 hours.

**Btu** = British Thermal Unit. One Btu is the amount of energy required to raise the temperature of a pound of water by 1° Fahrenheit.

**Quad** = quadrillion (10<sup>15</sup>) Btu. One Quad is equivalent to the annual energy consumption of ten million U.S. households.

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